

- (f) Hormel Foods shall keep all necessary records with respect to the receipt, weighing and payment of all livestock in accordance with its regular record retention and destruction schedule. At the present time, all scale tickets, P&L's, and checks are destroyed after two (2) years. Producer may inspect such records during normal business hours at locations designated by Hormel Foods upon reasonable notice by Producer to Hormel Foods. Hormel Foods shall supply copies of such records as Producer may reasonably request at Producer's expense.

3. PRODUCER'S OBLIGATIONS.

- (a) Producer must at all times raise and supply to Hormel Foods top quality, healthy and wholesome hogs. Producer must have a genetic program capable of producing lean, uniform sorted hogs that consistently meet Hormel Foods' requirements.
- (b) Producer must have Hormel Foods' approved facilities to farrow and finish hogs year round. Market hogs must be produced uniformly in size and numbers week to week and sold on Hormel Foods' Grade & Yield Buying Program. Hogs must be delivered according to a prearranged schedule acceptable to Hormel Foods. Producer must estimate a weekly number of hogs it intends to market each week and will not be permitted to deviate substantially from this estimate except by mutual agreement of the parties.

The undersigned producer hereby estimates that it will supply the following quantity of hogs to Hormel Foods under this program:

_____ hogs per week

This number can be changed from time to time during the Term of the Agreement by the mutual consent of the parties. Any change to this number shall be confirmed in writing and shall be placed in the Producer's contract file with this original Agreement.

- (c) Producer must be supervised by a licensed veterinarian and must properly use any applicable drugs and adhere to required withdrawal procedures thereto. Producer must be on the Pork Quality Assurance Program, a HACCP program of America's Pork Producers. Producer must be at Level III or be working to obtain Level III.
- (d) Producer must use an approved feeding program and must allow Hormel Foods the right to inspect hogs and facilities. The use of Hormel Foods' feed is not required, but the Producer must agree to listen objectively to Hormel Foods' feed presentations.